

Message Text

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64

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FM AMEMBASSY KINGSTON

TO SECSTATE WASHDC 8085

INFO AMEMBASSY SANTO DOMINGO

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TAGS: EAGR, EFIN, JM

SUBJECT: AGRICULTURE CONTRIBUTES J\$158.3 MILLION TO
JAMAICA'S GDP IN 1974

REFS: (A) KINGSTON 2379; (B) KINGSTON 1989;
(C) KINGSTON A-103 OF JUN 12, 1975; (D) KINGSTON A-79 OF
MAY 16, 1975.

FOR AGATT AT SANTO DOMINGO

1. ON WEDNESDAY, JUNE 18, KEBLE MUNN, MINISTER OF
AGRICULTURE, ANNOUNCED TO THE HOUSE OF REPRESENTATIVES
THAT AGRICULTURE CONTRIBUTED J\$158.3 MILLION TO GROS
DOMESTIC PRODUCT IN 1975, RISING FROM J\$128.1 MILLION
IN 1973. THIS GROWTH REFLECTED AN INCREASE OF 23.6 PER CENT.

2. ACCORDING TO MINISTER MUNN, THE OUTSTANDING 1974
PERFORMANCE OF THIS SECTOR WAS "EVEN MORE SO WHEN THE
SECTION 'DOMESTIC AGRICULTURE' CAME UNDER EXAMINATION."
HERE THE CONTRIBUTION ROSE FROM J\$54 MILLION IN 1973 TO
J\$67.9 MILLION IN 1974, WHICH WAS A GROWTH RATE OF ABOUT
26 PERCENT. WITH RESPECT TO EXPORT CROPS, THE MINISTER
TOLD THE HOUSE THAT THE GROWTH RATE THERE HAD BEEN THE
GREATEST OF ALL: J\$34.3 MILLION WORTH OF CROPS AHD BEEN
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PRODUCED IN 1974 AS COMPARED TO J\$24.6 MILLION IN 1973.

THIS INCREASE IN 1974 REPRESENTED A GROWTH OF 39.6 PERCENT.

3. MR. MUNN SAID THAT THE INCREASES THAT HAD TAKEN PLACE IN CORN AND PEANUTS WOULD PROVE TO BE OF GREAT SIGNIFICANCE TO AGRICULTURAL GROWTH AND THE EFFORT BY THE PEOPLE TO BECOME SELF-SUFFICIENT IN FOOD.

4. IN REPLY TO AN OPPOSITION PARTY SPOKESMAN, WHO HAD TRIED TO DRAW FROM MR. MUNN'S SPEECH THAT NOTHING HAD TAKEN PLACE IN AGRICULTURE FROM THE PRESENT GOJ'S EFFORTS, MR. MUNN GAVE SOME COMPARATIVE FIGURES. IN 1973, WHEN THE OPPOSITION PARTY (JLP) WAS THE PARTY IN POWER, CORN PRODUCTION TOTALED 11 1/2 MILLION LBS. IN WEIGHT, BUT FOR 1974 (PNP INPOWER) THE FIGURE HAD RISEN TO 21.6 MILLION LBS. IN 1971 ONION PRODUCTION AMOUNTED TO 50,000 LBS., BUT LAST YEAR IT WAS 3,022,000 LBS. IN 1971 YAMS TOTALED 271 MILLION LBS., BUT IN 1974 85 2- 289 MILLION LBS. IRISH POTATOES WERE 29 MILLION LBS. IN 1971 AS AGAINST 32 MILLION LBS LAST YEAR, WHILE PEANUTS WERE 1.2 MILLION LBS. IN 1971 AND 1.5 MILLION LBS. LAST YEAR.

5. COMMENT: MUNN, AS MINISTER OF FINANCE DID BEFORE HIM INOPENING THE 1975/76 BUDGET DEBATE, HAS ATTEMPTED TO PUT ACCOMPLISHMENTS IN THE AGRICULTURAL SECTOR IN THE MOST FAVORABLE CONTEXT POSSIBLE. IT COULD BE ARGUED THAT THE SECTOR'S PERFORMANCE WAS MEDIOCRE AT BEST IN RELATIONSHIP TO CAPITAL BUDGET EXPENDITURES FOR THE YEAR WHICH WERE TWICE THE AMOUNT ALLOTTED IN 1973. HOWEVER, THERE WERE SOME ENCOURAGING GAINS IN PRODUCTION PARTICULARLY IN ROOT CROPS AND VEGETABLES FOR DOMESTIC CONSUMPTION, ATTRIBUTABLE TO THE LAND LEASE/FOOD FARM OPERATIONS. THE MAJOR GAIN IN EARNINGS CAME FROM SUGAR, WHICH REGISTERED MORE THAN 100 PERCENT INCREASE OVER 1973. BUT THIS WAS DUE TO THE PHENOMENAL INCREASE IN THE WORLD PRICE OF SUGAR AS THERE WAS AN OBSOLUTE DECLINE IN TONNAGE OF CANE REAPED PER ACRE IN 1974. THERE WERE PRODUCTION DECLINES IN IMPORTANT CROPS SUCH AS BANANAS, CITRUS, COCOA, COFFEE, GINGER, COPRA AND MEAT AS WELL. IN ADDITION FOOD IMPORTS INCREASED BY 42 PERCENT AND CONTRIBUTED SIGNIFICANTLY TO THE 1974 CURRENT ACCOUNT DEFICIT. AGAIN MUCH OF THIS INCREASE

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WAS DUE TO WORLD PRICE RISES. WHILE MUNN IS CORRECT IN STATING AGRICULTURE'S CONTRIBUTION TO GDP ROSE IN 1974, HE FAILED TO MENTION THAT THE SECTOR'S PERCENTAGE CONTRIBUTION TO GDP ACTUALLY DROPPED FOR THE YEAR. ON BALANCE, GAINS IN THE SECTOR MORE THAN COMPENSATED FOR DECLINES BUT OVERALL PERFORMANCE WAS NOT THE RESOUNDING SUCCESS THAT MUNN WOULD HAVE US BELIEVE.

GERARD

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